



# **PSC NEWS**

## **Missouri Public Service Commission**

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**FOR IMMEDIATE RELEASE**

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### **PSC ORDERS EARLY REDUCTION IN NATURAL GAS RATES FOR AQUILA NETWORKS-MPS SOUTHERN SYSTEM CUSTOMERS**

JEFFERSON CITY—To reflect estimated changes in the wholesale cost of natural gas, Southern System customers of Aquila, Inc. d/b/a Aquila Networks-MPS will see natural gas rates drop by 13% under a filing which will take effect today. Aquila's filing originally contemplated a January 30, 2006 effective date.

"High wholesale natural gas prices have placed a significant strain on consumer budgets this winter," said PSC Chairman Jeff Davis. "Certainly every dollar counts and that's why it is important that the Commission act quickly to approve this request so customers can receive this rate relief as soon as possible," Davis said.

A residential customer currently pays approximately \$1.14 per Ccf (per 100 cubic feet of gas). Under this filing, the rate will drop to approximately \$1.00 per Ccf, a decrease of approximately \$0.14 per Ccf.

According to Aquila, a typical residential customer on the Southern System with a 1,500-square-foot home uses about 433 Ccf of natural gas from February through October. Under the rate reduction, the company says that customer will spend an average of about \$7.00 a month less from February through October than if current rates remained in effect.

Approximately 70% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Aquila, Inc. d/b/a Aquila Networks-MPS serves approximately 32,000 natural gas customers in its Southern System which includes the Missouri counties of Pettis, Platte, Cooper, Ray, Henry, Saline, Johnson, Vernon and Lafayette.